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ABSTRACT

This document presents Edgecombe Community College's (North Carolina) compensation plan. This plan was created to provide equitable administration of pay practices, taking into account internal equity within the institution and external competitiveness to make sure that compensation levels are market-driven and the institution can attract and retain personnel. The plan applies to all full-time and part-time employees other than the president of the college. It was developed with the following principles in mind: (1) pay the position; (2) focus on the position; (3) focus on the qualifications for the position; (4) adhere to State Board of Community Colleges and other community college guidelines; and (5) adhere to the college's equal employment opportunity obligations. The document includes a discussion of recommended pay ranges, with sections on the bases for pay ranges and a review of the bases for pay ranges. The document also discusses how compensation amounts should be established. Included is a section on initial compensation for both new hires and new promotions and special circumstances which may require the college to offer higher initial compensation than the pay range within a position would normally justify. The document concludes with an outline of how compensation is increased or decreased at the college. (LD)

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EDGECOMBE COMMUNITY COLLEGE COMPENSATION PLAN

ED 454 903

I. INTRODUCTION

Edgecombe Community College (the "College") is implementing this Compensation Plan (the "Plan") with the goal of providing equitable administration of its pay practices, taking into consideration the following:

- Internal equity, to help insure that the pay ranges assigned to each position are representative of the value of that position within the College;
- External competitiveness, to help insure that compensation levels are market-driven and are aimed at attracting and retaining qualified and competent personnel.

A. **Basis for Plan.** This Plan has been developed in connection with a compensation study conducted for the College by an independent, outside company and supersedes all other plans. The College recognizes that the factors on which the pay ranges for each position level are based are subject to change over time and will need to be evaluated periodically. For this reason, the College reserves the right to modify recommended pay ranges and position levels, as well as the provisions of the Plan, to reflect any factors, changes, or other information it determines to be relevant.

B. **Applicability of Plan.** This Plan applies to all regular full-time and part-time College employees other than the President of the College, whose compensation is determined in accordance with regulations established by the State Board of Community Colleges.

C. **Purpose of Plan.** The purpose of this Plan is to provide College employees with basic information about the College's pay practices and to provide College administrators with guidelines for establishing or recommending pay rates for employees who work in their area of responsibility. The Plan is intended for informational purposes only and does not create any contract or other rights in any College administrator or other employee subject to the Plan.

D. **Basic Pay Administration Principles.** This Plan has been developed with several basic pay administration principles in mind:

1. **Pay the Position.** The College would like to offer equitable compensation for the position an individual holds or is seeking. Pay ranges should be based on the level to which that position is assigned and should not be based on the personal attributes of the person who fills or will fill that position.

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2. **Focus on the Position.** The duties and responsibilities associated with an employee's position (including the level of accountability to which he or she is held), rather than the employee's efficiency or length of service, should be the basis for the pay range for his or her position. Credentials and availability can be used to establish an employee's compensation level within the pay range for his or her position.

3. **Focus on the Qualifications for the Position.** Although an applicant or employee may have extensive educational and experience qualifications, the difficulty of the position the person fills or will fill, and not the person's education or experience, should determine the applicable pay range. Personal qualifications and other factors, to the extent that they are job related, then can be used to establish where in the pay range the person's compensation level should fall. Factors to consider in evaluating the difficulty of a position include the following:

   - The amount of skill required, meaning the education, training, experience, and ability needed to do the job;

   - The amount of effort required, meaning the physical or mental effort involved in doing the job;

   - The amount of responsibility involved, including the amount of judgment exercised while doing the job, the amount and level of decision making associated with the job, the extent of supervisory responsibility, and the potential severity of consequences that could result from a failure to perform the job properly; and ,

   - Working conditions associated with the job, including the environment in which the job is performed (sedentary/active, indoors/outdoors, etc.) and any special hazards associated with the job.

4. **Adhere to State Board of Community Colleges and Other Community College Guidelines.** The State Board of Community Colleges is responsible for providing funding to the College for current operating expenses, which include salaries for employees who provide administrative, instructional, and support services. It also is responsible for establishing standards and scales for salaries paid from the funds it administers and for setting a minimum and maximum amount of state funds that may be paid to an individual working for the College.

   The College's Board of Trustees is responsible for establishing a pay plan for the College. The President of the College is responsible for establishing monthly and annual salaries or hourly rates of pay for all full-time and part-time personnel, within the budget approved for the College by the State Board of Community Colleges and in accordance with the pay plan established by the College's Board of Trustees, this Plan, and

any regulations or other community college guidelines established by the State Board of Community Colleges.

5. **Adhere to the College's Equal Employment Opportunity Obligations.** The College is required by law to provide equal employment opportunity to applicants and employees without regard to their race, color, national origin, religion, sex, age, disability, political affiliation, or other legally protected status. In this connection, the College's equal employment opportunity and nondiscrimination policy extends to all terms and conditions of employment, including an employee's compensation. The assignment of an employee's position to a particular pay range and the determination of the level of his or her compensation does not relate in any way to the employee's membership or nonmembership in a legally protected group.

II. RECOMMENDED PAY RANGES

A. **Basis for Pay Ranges.** Pay ranges recommended for each position are based on the study conducted for the College and any updates to the study, as well as the principles and factors described in Section I.D. above. They include a minimum compensation amount, a midpoint compensation amount and a maximum compensation amount for each position level.

B. **Review of Bases for Pay Ranges.** To help insure that pay ranges are matched appropriately to each position, the relationship between a position and the position level and corresponding pay range to which it has been assigned should be reviewed periodically for change. New or modified positions also should be evaluated in light of the bases for recommended pay ranges so that appropriate position levels and pay ranges for these position levels may be established. To assist the College in this review process, management employees who report directly to one of the College's Vice Presidents are expected to:

1. Be familiar with this Plan and the pay administration principles on which the Plan is based;

2. Make sure they are informed about the job duties performed by each employee under their supervision;

3. Advise the appropriate Vice President of any permanent changes in job duties;

4. Make recommendations for changes in position levels when appropriate. These recommendations should be based on significant changes in the duties associated with a position and/or in the structure of a department that will continue to exist on a long-term basis. They should not be based on a particular employee's efficiency or willingness to take on extra tasks relating to his or her job duties. They also should not be based on a temporary change in the duties associated with a position or the structure

of a department that is intended to meet the short-term needs of the College. (A Position Classification Request Form may be obtained from the Personnel Office for recommending changes in position levels.)

The Vice Presidents of the College are responsible for reviewing completed Position Classification Request Forms and evaluating information provided on the Forms to determine whether position classifications are accurate or whether a classification study which may result in a change in position level is advisable. If a Vice President believes that the duties associated with a position have changed significantly enough to merit a classification study for the position, he or she should recommend the classification study to the President of the College and coordinate with the President to obtain additional relevant information. The President is responsible for approving any classification study. The College may contact outside consultants and other sources to assist in any reclassification decision.

III. ESTABLISHING COMPENSATION AMOUNTS

A. **Initial Compensation.** The Vice Presidents of the College are responsible for the selection and recommendation to the President of the College of regular full-time and part-time employees for positions under their respective areas of supervision. They also are responsible for recommending to the President the initial compensation amount to be offered to newly hired and newly promoted employees. Following are some guidelines to be used by the Vice Presidents and the President when establishing compensation amounts.

1. **Determination and Recommendation to President.** As a general rule, the initial compensation amount for an individual who meets the basic requirements for an administrative or faculty position should be at the minimum compensation amount for the position level. Depending upon a new employee's qualifications (education, training, experience, etc.) as compared to the requirements for the position, the responsible Vice President may recommend an initial compensation amount of up to the midpoint compensation amount for the employee's position level. The initial compensation amount for a newly promoted employee should not be less than the employee's compensation amount for his or her previous position, even if it exceeds the midpoint compensation amount for the new position level.

   The President of the College is responsible for making a final decision about an employee's initial compensation amount. The Vice Presidents of the College should complete and submit a Compensation Recommendation Form available from the Personnel Office when recommending an employee's initial compensation to the President. A summary of the bases for each recommendation should be provided on the completed Form.

2. **Review by President.** The President should review each Compensation Recommendation Form submitted and discuss any questions or need for additional information with the responsible Vice President. The President may accept a Vice President's recommendation or establish a lower or higher initial compensation amount based on information provided by the Vice President or any additional information obtained. In determining an employee's initial compensation amount, the President may consult with the appropriate Vice President and, when necessary, the Personnel and Policy Committee of the College's Board of Trustees, the Chairman of the Board of Trustees, and/or the full Board of Trustees.

   The following procedures are suggested for those who participate in recommending and/or establishing an employee's initial compensation amount:

   a. Initial Compensation Amount Ranging from Minimum Compensation Amount to Midpoint Compensation Amount. An employee whose recommended initial compensation is equal to the minimum compensation amount for the employee's position level will be presumed to meet the basic requirements for the position he or she is filling. Information supporting any recommendation that the initial compensation amount exceed this minimum should be provided by the responsible Vice President on a completed Compensation Recommendation Form.

      Any recommendation that an individual be offered initial compensation in excess of the minimum compensation amount for his or her position should be based on the relevant factors described in this Plan. It should not be based on an employee's seniority in any previous job. Information about a new employee's previous compensation level should be obtained as part of the interview process. However, all other factors being equal, the individual's previous salary or hourly rate should not be a major factor in determining the initial compensation recommended for his or her position with the College, because job duties, market demand, or other relevant factors associated with the individual's previous position may differ from those associated with his or her position with the College.

      If the recommended initial compensation for an employee is above the midpoint compensation amount for his or her position, no action in addition to submission of a completed Compensation Recommendation Form and a review and final determination by the President of the College is necessary. If for some reason an employee's recommended initial compensation is above the midpoint compensation amount for his or her position (other than in the case of a newly promoted employee whose recommended initial compensation will equal his or her previous compensation amount),

the procedures described in Section III. A.2.b. below should be followed.

b. Initial Compensation Above Midpoint Compensation Amount. As a general rule, the recommended initial compensation amount for a new employee should not exceed the midpoint compensation amount established for his or her position. The following circumstances may support a higher initial compensation amount within the pay range for the employee's position but should be scrutinized closely before any increase over the midpoint compensation amount is recommended or allowed:

- The employee will be responsible for an administrative or academic program not previously available to the College, and his or her experience, education, or other job-related skills are essential for the success of the program;

- The employee's job-related education and experience significantly exceed the minimum requirements for the position and will be called upon regularly in the performance of his or her job duties;

- Previous recruiting efforts have failed to produce an eligible candidate who would accept the position at a lower initial compensation amount;

- A lower initial compensation amount is not competitive with the current market value of the position, as determined by starting salaries or hourly rates offered by comparable employers for the same or substantially similar positions (in which case a position classification study should be considered); or,

- Administrative or academic needs make it necessary to fill the position immediately, and preliminary recruiting efforts indicate that this will not be possible if a lower initial compensation amount is offered.

Any Vice President who wishes to make such a recommendation should describe carefully the circumstances supporting the proposed increase. This information should be provided on a completed Compensation Recommendation Form.

Except where a newly promoted employee's previous compensation amount already exceeds the midpoint compensation amount established for his or her new position, the initial compensation amount for the new position should not be in this range.

There are few, if any, circumstances under which a newly hired or newly promoted employee's initial compensation amount should exceed the maximum compensation amount for his or her position level. If for some reason any of the circumstances described above makes it appear necessary to offer initial compensation above the maximum compensation amount for a position level, the President of the College should adhere to the following procedures:

- Consult with the appropriate Vice President and make sure that all relevant information about the employee has been obtained and that all relevant circumstances supporting the proposal are included in the Compensation Recommendation Form;

- Present the proposed initial compensation amount, related circumstances, and possible alternatives to the Personnel and Policy Committee of the College's Board of Trustees and obtain a recommendation from the committee;

- If appropriate under the circumstances, consult with the Chairman of the Board of Trustees and/or with the full Board of Trustees regarding the proposed initial compensation amount, related circumstances, and any Personnel and Policy Committee recommendation; and,

- Initiate any necessary change in position classification.

B. **Increases in Compensation.** Increases in compensation will be implemented on an annual basis or when an employee is promoted, in accordance with State board regulations and other community college guidelines, and to the extent practicable, will coincide with the College's fiscal year (which runs from July 1 to June 30). Legislative increases in compensation will be granted in accordance with any requirements set forth in the applicable legislation. Increases in compensation for employees paid from non-state funds will be dependent upon directives from the applicable funding source.

1. **Automatic Increase.** If an increase is required by law to be provided, it will be implemented by the President of the College in accordance with any legislative or State Board directives. Except as otherwise required by law, no adjustment to an employee's compensation will be automatic.

2. **Promotions.** The College would like to promote employees from within whatever possible. The President of the College and, with respect to personnel in their respective departments, the Vice Presidents of the College, have authority to initiate an employee's promotion. In the event an employee is promoted, the Vice-

President responsible for the department to which the employee has been assigned and the President of the College should follow the procedures for determining initial compensation amounts in recommending and establishing the employee's initial compensation amount for the new position.

C. **Decreases in Compensation.** It is the College's policy not to use reductions in compensation to discipline or otherwise penalize employees who remain in the same position. However, in the event an employee is demoted (whether for disciplinary reasons of otherwise), his or her compensation should be adjusted to reflect any change in position level resulting from the demotion. Employees who convert from full-time to part-time status also may be subject to a decrease in compensation that does not correspond directly to the number of hours by which their work week is reduced.